

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB 147

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Toscano

3. Committee: Health, Welfare and Institutions

4. Title: Include medical assistance overpayments in statewide fraud control program

5. Summary: The bill requires the state share of overpayments, collected by local departments of social services, from Medicaid recipients be deposited to a special fund used to fund local fraud control efforts. Currently monies recovered by local departments of social services for recipient fraud activities associated with the Medicaid Program are returned the Department of Medical Assistance Services for deposit into the Virginia Health Care Fund, which is used as state match for Medicaid.

6. Budget Amendment Necessary: Yes, Item 307, Service Area 45609.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

Fiscal Year	Dollars	Positions	Fund
2012	\$0	0.0	-
2013	\$20,692	0.0	General Fund
2014	\$20,692	0.0	General Fund
2015	\$20,692	0.0	General Fund
2016	\$20,692	0.0	General Fund
2017	\$20,692	0.0	General Fund
2018	\$20,692	0.0	General Fund

8. Fiscal Implications: The bill would reduce the amount of recoveries received by the Department of Medical Assistance Services (DMAS) for Medicaid recipient fraud activities collected by local departments of social services (DSS). Currently, when local DSS offices collect the state share of Medicaid recipient fraud overpayments, all funds are returned to DMAS and the state share is deposited into the Virginia Health Care Fund (VHCF) to be used in lieu of state general fund to support the ongoing expenditures for the Medicaid program. This bill redirects the funds to the Fraud Recovery Special Fund to be used for local fraud control efforts. Any decrease in VHCF deposits will have to be replaced with additional general fund appropriation.

This bill would not increase DMAS expenditures, but would reduce the revenue received by DMAS from recipient fraud overpayments collected by local DSS offices. Any federal share associated with the Medicaid recipient fraud overpayments are required by law to be returned to the Centers for Medicare and Medicaid Services so this fiscal impact only involves the state share.

The table below shows the total funds recovered from local DSS offices for Medicaid recipient overpayments from 2009 through 2011. DMAS estimates that local DSS offices would collect approximately \$41,384 annually for Medicaid recipient fraud overpayments in fiscal years 2012 through 2018. This figure represents an average of the last three years of identified recoveries. The table below estimates DMAS' deposits into the VHCF. This bill will eliminate \$20,692 in deposits to the fund beginning in FY 2013. These funds will have to be replaced with general fund to fully fund the Medicaid program.

Fiscal Year	Local DSS Collected Recipient Overpayments	State Share	Federal Share	Total Medicaid Recovery (Health Care Fund)
2009	\$27,305	\$11,662	\$15,643	\$11,662
2010	\$24,954	\$9,585	\$15,369	\$9,585
2011	\$71,895	\$28,966	\$42,929	\$28,966
2012	\$41,384	\$20,692	\$20,692	\$20,692
2013	\$41,384	\$20,692	\$20,692	\$20,692
2014	\$41,384	\$20,692	\$20,692	\$20,692
2015	\$41,384	\$20,692	\$20,692	\$20,692
2016	\$41,384	\$20,692	\$20,692	\$20,692
2017	\$41,384	\$20,692	\$20,692	\$20,692
2018	\$41,384	\$20,692	\$20,692	\$20,692

9. Specific Agency or Political Subdivisions Affected: Department of Medical Assistance Services and Department of Social Services.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/18/2012

Document: G:\GA Sessions\2012 Session\HB147.doc